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Article

Video: The New Rules of Communication

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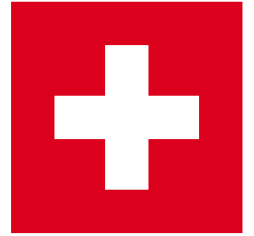
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VISUAL Communication



Universität St. Gallen

Video: The New Rules of Communication

Although video communication offers the potential to engage with employees and consumers, many established firms adopt video as a new communication medium quite slowly and with little enthusiasm. Based on our experience with leading national and international firms, we introduce a four step approach to help companies in adopting a video communication strategy, summarize the main obstacles that firms typically face, and provide recommendations on how to overcome these obstacles.

Christian Mossner, Prof. Dr. Dennis Herhausen

While the explosion of data and information has been a topic of considerable interest in recent years for most firms, another phenomenon has received comparably less attention: The explosion of video communication. According to Cisco forecasts, video traffic will make up 80 percent of all consumer internet traffic by 2019, up from 64 percent in 2014 (Cisco 2015). The video-sharing platform Youtube, owned by Google, started in 2005 as a fun site to share private videos and has become the second largest information sharing platform in the world.

Video communication further fits the need of consumers – most consumers read much less and rather prefer to watch video (Insivia 2016). The reasons for the explosion of video are also tied to the biological mechanisms of how humans consume information. Sight is our strongest sense: 90 percent of information transmitted to the brain is visual, and 40 percent of nerve fibers to the brain are connected to the retina (Politzer 2008). As a result, visuals are processed faster in the brain than text. Not only are visuals processed faster, they are processed better. Research suggests that up to 85 percent of human perception, learning, cognition, and other mental activities are mediated through vision (Kane/Pear 2016). Videos even multiply these advantages of visuals because of their “vividness” in facilitating social perceptions (e.g., Jiang/Benbasat 2007, Kahai/Cooper 2003). Thus, companies may hugely benefit from video communication.

In addition, the immense decrease of costs on the technical side due to a modern Wi-Fi and mobile network infrastructure, powerful smartphones and tablets, and easy to share video streaming sites make video communication so popular. Many of the new social media providers, such as Snapchat, Vine, Periscope, and Meerkat, successfully emphasize video communication. Platforms that did not originate in video communication such as Facebook, LinkedIn, and Twitter shift their focus to video content. For example, Facebook now even claims to be “the largest video-sharing site in the world”.

In contrast, most established firms so far adopted video as a new communication medium quite slowly and with little enthusiasm. Indeed, according to a recent Hubspot (2016) survey, 48 percent of marketing departments plan to add Youtube as a new channel in the next 12 months. Across all industries, video communication offers a huge potential to engage not only with consumers and the general public (i.e., external communication) but also with employees (i.e., internal communication). In the following, we continue by review-

ing both external and internal video communication and introducing a four step approach that helps companies to adopt a video communication strategy effectively and in a systematic way. Based on our experience from multiple video communication projects with leading national and international firms, we then summarize the main obstacles for video communication that these firms faced and give recommendations on how to overcome them.

External Communication: Video for Many Purposes

External video communication is directed towards outside stakeholders and can be used for many purposes. Consumers expect appropriate online information that helps them in their purchase decisions. Typically, consumers simply type keywords in search engines to find corresponding information, and findings that display high in the search results are considered. Search results with video content rank higher than any other documents (Searchmetrics 2015). Thus, the probability that a video gets ranked high and will be watched is much higher than it is for a text document. If consumers further find video testimonials of other customers or hand-on demonstrations, this information may result in a compelling impact that influences their decisions. This is why video has become the new medium for online marketing. Companies need to be aware of it and adapt their marketing mix accordingly.

However, not only private consumers research online. 92 percent of B-to-B-purchasers start their research online

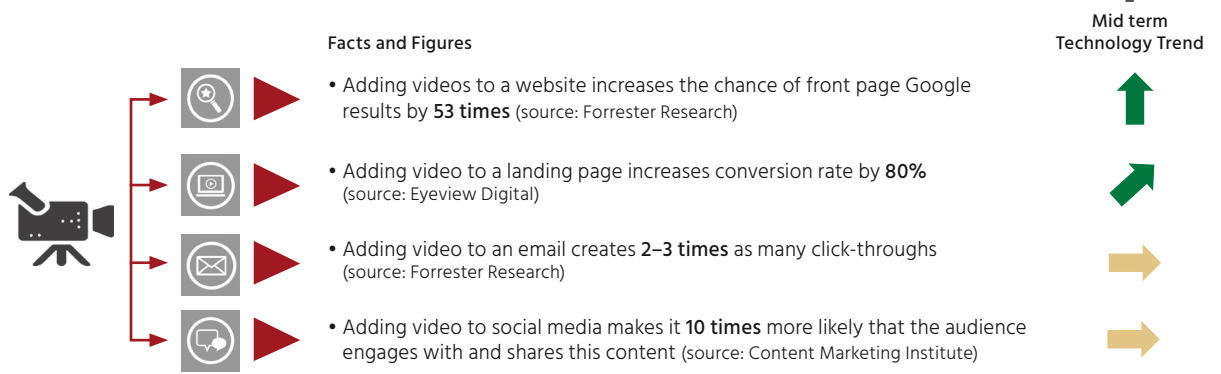
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Fig. 1: Selected Advantages of Video Communication



Quelle: Mossner / Herhausen, 2017.

(Salesforce 2014), and 78 percent of sellers, who use B-to-B videos in the sales process are more successful than their colleagues (Salesforce 2014). Not surprisingly, more than 50 percent of marketing professionals name video as the type of content with the best return of investment (compared to other marketing tools such as TV ads, newspaper ads, and digital ads). Figure 1 summarizes some major advantages of video communication for firms. Importantly, the opportunities of video as a multifaceted communication tool is not limited to external purposes, as discussed next.

Internal Communication: Inform and Motivate Employees

Internal video communication is directed towards employees. Taking into consideration that videos are well appreciated as external content, companies also begin to modify their internal communication instruments towards video messaging. For example, according to research by Kaltura (2015), 94 percent of respondents quoted that video are important for team bonding and bring together geographically dispersed groups working in different time zones who may otherwise not feel a great sense of belonging. Since video as multi-sensual media releases emotions, it can be effectively used to unite employees and guide them in strategy changes. Watching an authentically speaking CEO in a video-clip releases much more emotions and attention compared to any other media. Overall, there is no other media than video that generates comparable benefits for internal communication because video makes executives more relatable, helps train employees better and faster, supports team

bonding, unites geographically dispersed teams, is valuable for networking, knowledge sharing, and is preferred by executives over reading text (e.g., Millar 2015; Viosk 2015). However, companies need a distinct video communication strategy to benefit from these advantages.

Towards a Video Communication Strategy

Switching from a text-centric and picture-centric towards a video-centric communication strategy is not done by just producing video clips. Video communication should be based on a clear strategy that gives the foundation to make quite bold changes in the overall communication strategy.

Management Summary

1. The immense decrease of costs due to a modern Wi-Fi and mobile network infrastructure, powerful smartphones and tablets, and easy to share video streaming sites make video communication relevant for every company.
2. The outlined four step approach helps companies to adopt a video communication strategy effectively and in a systematic way.
3. Companies need to have the right company culture, the right equipment, and the right processes to successfully communicate with videos.

Figure 2 visualizes a four step approach that is intended to help companies to adopt a video communication strategy effectively and in a systematic way.

1. Assessment & Planning

Without a clearly defined business model and an analysis of the relevant customer touchpoints it becomes quite difficult to elaborate a successful video strategy. It is important to note that the difference of various video formats are huge regarding their flexibility, potential target groups, costs,

campaigning efforts, and media coverage possibilities. Thus, especially customer needs and their preferred channels should be carefully analyzed. Based on this assessment a video content plan can be developed. For external video communication, the content plan should answer at least the following questions:

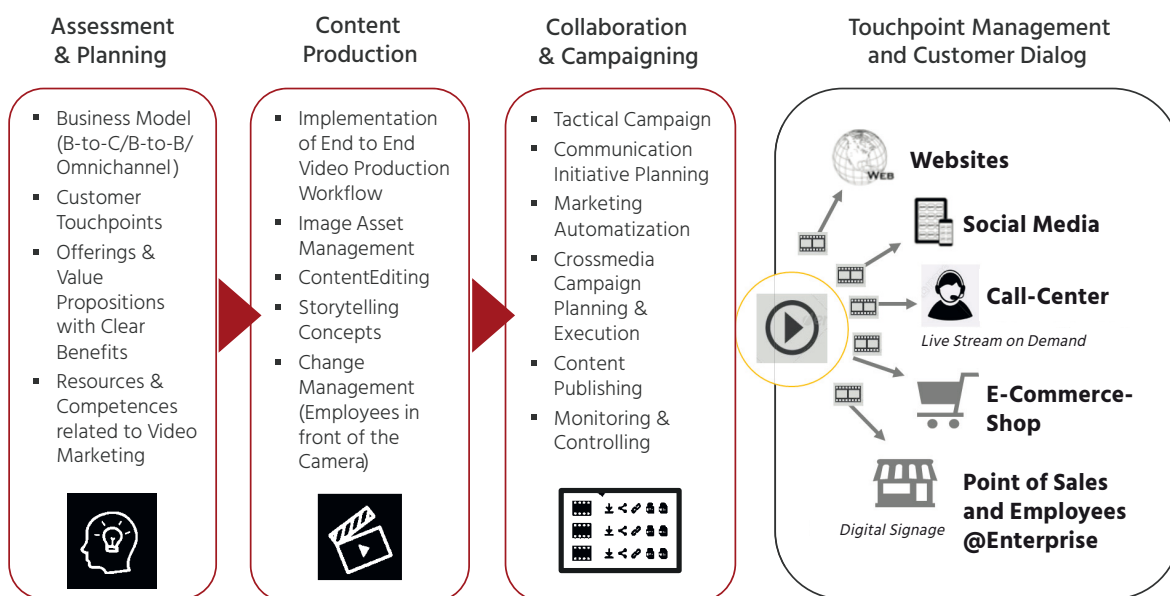
- Who is the customer and what does he want or need?
- What is the purpose of the videos?
- Do the videos include enough information to enable customers to make purchasing decision without the benefit of an actual hand-on-demonstration?
- Can existing products or services be accompanied with corresponding step-by-step instruction videos?

“We are entering this new golden age of video. I wouldn’t be surprised if you fast-forward five years and most of the content that people see and are sharing on a day-to-day basis is video.”

Mark Zuckerberg, CEO of Facebook

From our experience, the most effective way for many companies to attract new customers is by offering step-by-step “how-to” videos. Many customers tend to watch such instruction videos before they buy a certain product or service. However, producing an educational video is more complex than producing simple “talking head” videos, and requires a pretty tight script as well as a logical storyboard. In most successful examples it is the product manager that explains

Fig. 2: Four Steps towards a Video Communication Strategy



Quelle: Mossner/Herhausen, 2017.

Fig. 3: Selecting an appropriate Video File Format

Generally, a video consists of images, audio and signal data which include the pixel size, frame rate and audio-channel. In addition, there are many different options how to encode and save corresponding video data. On the market exist many different formats and compression-codecs for saving a video. To some extend this can be quite confusing to unexperienced users. Some formats are optimal for capturing a video in a very compressed size and some formats are best used for delivery and distribution of a video file over the Internet or within an internal enterprise network. Depending on the device to watch a video, there are also various file formats.

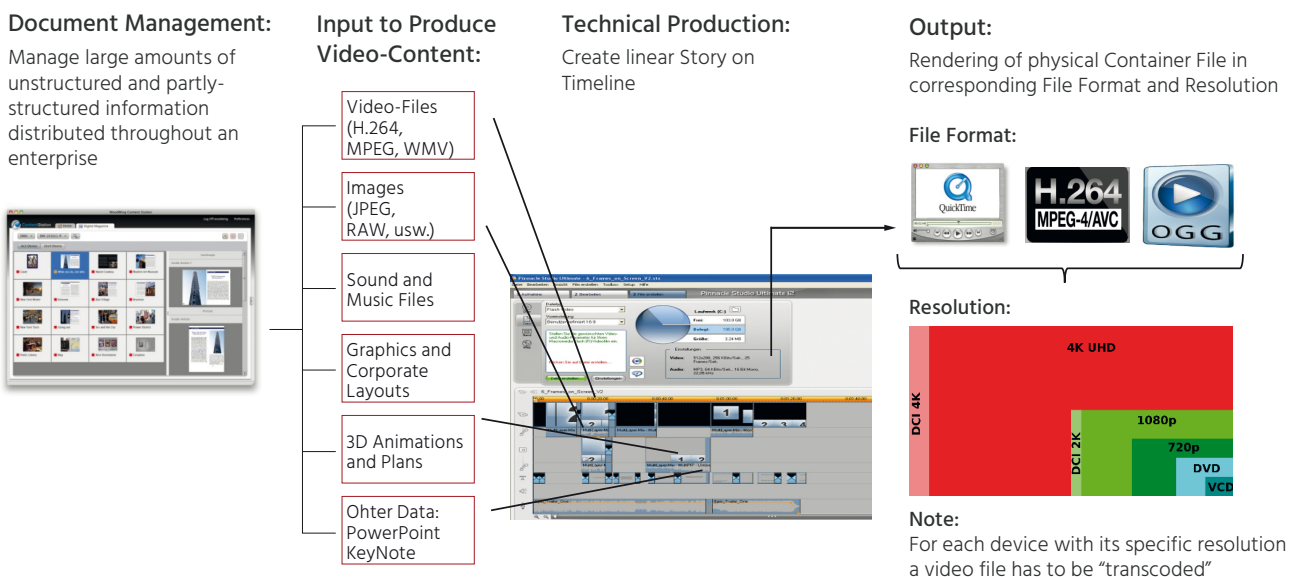
One of the most versatile codec today is H.264. It offers excellent compression with high quality ranging from standard resolution (1280x960 pixel) to high resolution (1920x1440 pixel) and ultrahigh resolution (3840x2160 pixel). When H.264 is used with a high bit rate, it provides really excellent quality which is absolutely necessary on large scaled digital signage screens at point of sales or information. And it is also useful when compression is the most important feature. It is the codec used by web streaming giant platforms such as Youtube or Vimeo. In addition to a great quality and compression ratio, H.264 offers a tremendous amount of flexibility as to the video and audio signal characteristics.

in a convincing and authentic way the effective usage of a product. Since this is quite a challenging task dedicated training and support is needed to create videos that are on a professional level.

2. Content Production

The actual content production includes both technical and content-related challenges. Most videos on portals such as Youtube are amateurish, produced by nonprofessionals with simple camcorders. However, there is an increasing number of professionally produced clips, and companies and their employees are not regarded as amateurs. Consumers expect from them professionally produced video content, from start to finish. Anything less would harm the brand perception. Thanks to today's digital video technology, companies can now shoot videos in high resolution and edit them on standard computers. The results are often indistinguishable from professional video production agencies. However, producing professional videos from a production point of view requires a certain level of technical understanding. What kind of data is needed to design a video? Which format and resolution size is required to enable customers to watch a video on a device they prefer? Key to successful video pro-

Fig. 4: Managing the Technical Production Workflow in a Systematic Approach



Quelle: Mossner/Herhausen, 2017.

duction is the availability of data that can be used to create the physical video file in the right format (Figure 3). Companies who want to transform from traditional communication towards video communication should thus implement a dedicated workflow with all necessary data and software to produce video data in all relevant formats, as displayed in Figure 4.

Whatever information consumers search online they will probably find a video-clip for it, such as video-based manuals, product tests, or consumer-generated word of mouth about certain brands.

Besides the technical requirements there is always the need for differentiation. Without question, video communication evokes great expectations and is “the next big thing” for many companies. However, new challenges arise out of this trend: YouTube announced that 400 hours of video is being uploaded to the site every minute, and Facebook is proud to generate 8 billion video views per day. And according to Tubular Labs, 654.7 million videos have been uploaded by 66.7 million creators in the last 365 days to more than 30 video platforms. These videos have 2.8 trillion views, or an average of 4,390 views per video. However most videos have no audience because they lack unique value for consumers.

The most meaningful differentiator for video communication in a digital world is “human touch” evoked through managers and employees. We experience that successful companies communicate customer-oriented messengers with videos that involve employees or the senior management. Teamwork, customer centricity and organizational support but also ethical values play an important role to enable them to act authentic and in an emotional approach. If successful, this makes the video approach unique and very difficult to copy. However, to achieve this companies have to:

- Change towards customer centricity (instead of being a product-oriented business)

- Implement a flat hierarchy that allows exploration and risks taking
- Establish a team-oriented culture with senior management as role models
- Support highly motivated employees who are glad to act as messengers of the company

In order to change into this direction it is crucial to have leaders who are prepared to stay with a company for a relatively long period of time. Exactly this leaders must be appear in videos to share their inspirational personalities with their employees and customers. They play a decisive role in transforming a company towards a digital business with human emotions.

3. Collaboration & Campaigning

Collaboration and campaigning with videos should become a key priority – not only in the marketing department. Instead of running few big campaigns there is a trend towards smaller and more customer-centric micro campaigns. Running various campaigns in parallel requests a dedicated automatization of publishing, lead generation, and monitoring processes. Marketing automation tools should be used to specify criteria and outcomes for tasks and processes that are then interpreted, stored, and executed by software tools. Process automation platforms such as censhare (<https://www.censhare.com>) can increase efficiency and reduce human error. These platforms often have features for video marketing

Lessons Learned

1. Companies should follow a dual video-strategy to transform internal and external communication in parallel way.
2. In most cases it make sense to start with the internal communication, and the outlined ten steps on “internal communication” give guidance on how to do so.
3. When video is accepted as a new internal communication instrument, it is time to use video also externally.
4. Again, the outlined ten steps on “external communication” give guidance on how to do so.

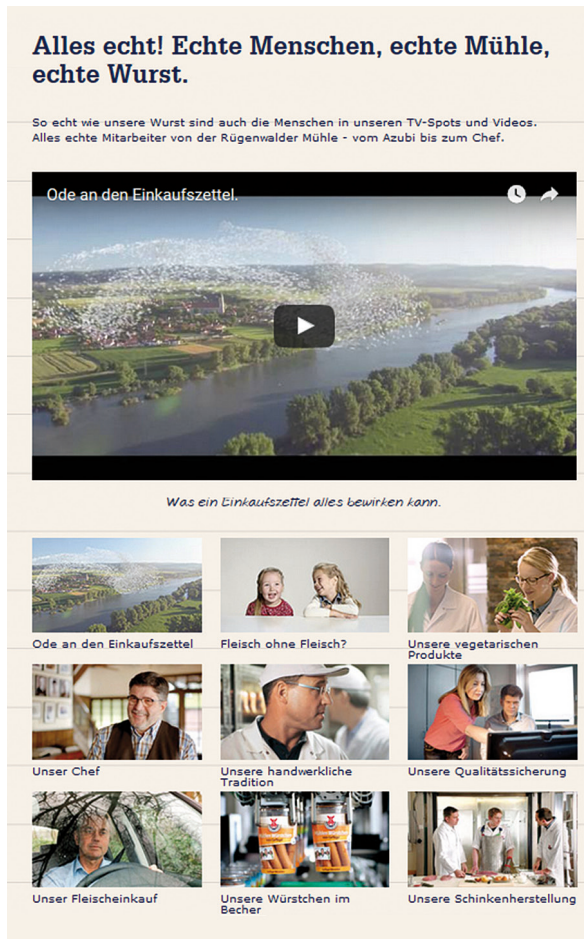


Fig. 5: Video Communication at Rügenwalder Mühle

campaigns. In addition, marketing automation platforms are often integrated with CRM tools to ease monitoring and controlling of campaigns.

4. Touchpoint Management and Customer Dialog

Importantly, companies should strive to orchestrate different touchpoints and ease customer dialog with video communication (e.g., Kipfelsberger, Bruch, & Herhausen 2015). In order to do so, videos must be provided in several formats and resolution sizes to enable customers to use the device they prefer. Moreover, videos can be used at multiple touchpoints such as the website, social media, live stream call center, eCommerce and even the point of sale (e.g., digital signage) to provide the “human touch” and engage with consumers.

A best practice example for a systematic video communication strategy can be found at the German company Rügenwalder Mühle (<http://www.ruegenwalder.de/>). This company uses its employees to differentiate itself via “human touch” from competitors and increase the trust for its

Successful video communication not only needs the professional equipment and a systematic process but also the right company culture.

products, as displayed in Figure 5. Importantly, Rügenwalder Mühle further uses this videos to interact with consumers on various social media platforms in an authentic and emotional way. The positive customer feedback stemming from these interactions further benefit the company (Kipfelsberger, Herhausen, & Bruch 2016).

Obstacles to Overcome to use Videos for Internal and External Purposes

The opportunity of companies to change their internal and external communication towards videos gets quite often discussed but seldom consequently realized. Taking into consideration that the majority of CEO's and decision makers in marketing and corporate communication grew up with print media and TV it is for them quite challenging to understand the mechanisms of video. Not surprisingly, they find quite often excuses not to create videos. Our experience in various projects suggests three main areas of obstacles that companies should overcome to successfully communicate with videos.

- **Culture:** A risk averse company culture prevents first steps towards video communication - nobody begins. In addition, managers and employees are not used to speak in front of a camera and as a result they appear uncertain and incompetent. What they say is boring, too long or not structured and does not fulfill the requirements of storytelling.
- **Equipment:** The lack of professional equipment such as camera, sound, light and green screen makes it impossible to produce a sufficient image and sound quality.

Further, internal resources to capture, edit, and render a video clip are often not available, and an easy to use production workflow is missing.

- Processes: A centralized system for video storage and management is missing, preventing clear processes and intuitive tools to publish videos internally and externally. In addition, without a streaming software it is impossible to integrate videos into Corporate Web-Sites and internal communication platforms and monitor their performance.

Overcoming the Obstacles of Video Communication

Companies who overcome the above mentioned obstacles are able to use videos for internal and external communication, and can develop a digital mindset with charismatic employees fostering a human touch. We advise companies to follow a dual video-strategy to transform internal and external communication in a parallel way. In most cases it makes sense to start with the internal communication, and we recommend the following ten steps to do so:

Consider the necessary time to test and learn the end to end workflow.

7. Review the first video in the team and repeat shooting and review if necessary.
8. Publish the video internally and monitor impressions and reactions.
9. Meet in the team, celebrate the success, and select next internal stories to be video typed.
10. Keep going until employees accept and support the new style of video communication.

When video is accepted as a new internal communication instrument by employees, it is time to use video also as a new medium for external communication. Now, connecting with existing and potential customers with emotional video-content becomes key and the next big step in the overall communication strategy. Based on the experience of the team that created the internal videos it is now up to the senior manager and informal team leader to go one level higher and to begin with external video communication. The following ten steps provide a guideline to implement video as an external communication instrument:

1. Select a distinctive product or service which is suitable to get transformed from classic communication towards video communication.
2. Conduct a workshop to create content that is customer-centric and relevant.

The actual content production includes both technical and content-related challenges.

1. Delegate a senior manager as sponsor and change enabler.
2. Assign a middle manager with affinity for digital business and communication as "Video-Content-Production-Manager".
3. Find some young enthusiastic "Millennials" in the enterprise who are glad and motivated to go an extra mile in terms of storytelling and video-content-production.
4. Involve marketing and corporate communication by integrate one or two representatives of these communication functions.
5. Bring all stakeholders (1-4) together, create an open "mindset" and start to think about potential stories which are relevant for internal communication.
6. Foster a "Trial and Error" culture in the new team and conduct an internal video-content-production day where some team members deliver a simple message in front of the camera and others edit and process the video.

Main Propositions

1. A successful video strategy needs a clearly defined business model and insights regarding the relevant customer touchpoints.
2. Companies will face both technical and content-related challenges during the content production, with the latter being amplified by the "need of differentiation".
3. Smaller and more customer-centric micro campaigns will outperform traditional "big" campaigns.
4. Companies need to orchestrate different touchpoints to ease customer dialog with video communication.
5. A venturesome company culture, professional equipment, and centralized video management are the key prerequisites to benefit from video communication.


3. Get the necessary buy-in from the heads of marketing, product, and service management.
4. Develop a simple story that can be realized and produced by the team.
5. Make sure that the right people from marketing, product, and service management participate and take a key part within the story.
6. Produce the video and have it critically reviewed within the team until the quality is sufficiently high for an external purpose.
7. Publish the video on external platforms such as Youtube, Facebook, Instagram and Twitter as well as on corporate web-sites and microsites.
8. Promote video-content with corresponding cross media communication activities to make sure that existing and potential customers are aware of the content.
9. Honor the team and its change leaders, and celebrate the success.
10. Monitor results in terms of views as well as feedback. Create further stories and make sure that employees recognize improvements.

Conclusion

Switching from a text-centric and picture-centric towards a video-centric strategy changes the rules of communication in many regards. Successful video communication not only needs the professional equipment and a systematic process but also the right company culture. Video relies on

Collaboration and campaigning with videos should become a key priority – not only in the marketing department.

try and error, risk taking, and cross functional and hierarchical teamwork. Separate departments such as communication, marketing, IT and human resources with different people and different skills need to work closely together. In particular, members of the marketing department have to transform their historically grown mindset from classical mass marketing towards an authentic and emotional dialog with potential and existing customers. In line with marketing, the traditional corporate communication ap-

proach of classic public relations should transform towards authentic storytelling in close co-operation with other business functions. The more creative these two departments lead the change towards video communication the easier it becomes to inspire and activate the rest of the company. In doing so, companies are able to benefit from the huge potential of video. 

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